

**From:** Jebchgo@aol.com [mailto:Jebchgo@aol.com]  
**Sent:** Tuesday, December 09, 2003 11:52 PM  
**To:** submissions@cftc.gov  
**Subject:** CME submission #03-101 Daily Price Limits for Live and Feeder Cattle

I am James Brooks. I have been a member of the CME for approximately 17 years. During this time I have managed the livestock operations for R. J. O'Brien, Inc. RJO is a major player in the livestock markets and in recent years has generally held one of the largest market shares in both live cattle and feeder cattle. We cater to a broad spectrum of the futures trading community.

During the course of any single given day I talk to several major market participants throughout the cattle trading community. I do not oppose the concept of increasing the daily trading limits. It is not good for any market when it repeatedly goes either limit up or down. This does not provide a liquid trading environment which hampers proper price discovery. That spoken, the next question becomes as to what is the proper daily limit. I feel strongly opposed to the CME's proposal to double the daily trading limits from 1.50 to 3.00.

Since this whole idea has surfaced I have found a strong consensus among our active traders to go from 1.50 to either 2.00 or 2.50. There is a strong sentiment that going to 3.00 would be somewhat of a knee-jerk reaction to what has been quite a volatile time in the cattle industry. I know we are attempting to provide a liquid market by raising the daily trading limits. I am afraid that by doing so by such an extreme will have the effect of driving away a significant amount of speculative interest in the market.

In summary, I would like to see a larger daily trading limit, but to double it I feel would be a mistake. Therefore I feel the CFTC should step in and not allow the CME to double the daily trading limits in both live and feeder cattle. If we would have been at 2.00 or 2.50 it is my opinion that we would never have seen the problems of the repetitive limit moves experienced recently. Thank you for the opportunity to express my views.

Sincerely,  
James Brooks